

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Municipal Administration And Urban Development Department - Hyderabad Metropolitan Water Supply & Sewerage Board - Godavari Drinking Water Project Phase-I - Moulana Abdul Kalam Hyderabad Sujala Sravanthi Scheme (MAKHSSS) - Housing and Urban Development Corporation (HUDCO) financial loan assistance for the project - Providing Government guarantee for principal part as security for obtaining additional loan of Rs.1000 Crores from Housing and Urban Development Corporation (HUDCO) - Orders - Issued.

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**MUNICIPAL ADMINISTRATION AND URBAN DEVELOPMENT (K1) DEPARTMENT**

**G.O.Ms.No. 509**

**Dated:27.12.2013.**

**Read the following:**

1. G.O.Ms.No.679, MA&UD(W)Department, dt.26.9.2008.
2. G.O.Ms.No.497, MA&UD(K1)Department, dt.31.10.2011.
3. From the MD, HMWS&SB, Hyd., Lr.No.HMWSSB/MD/GDWSS Ph.I/HUDCO-Addl.Loan/2012/13-51, dt.12-3-2013.
4. From the MD, HMWS&SB, Hyd., Lr.No.HMWSSB/MD/MAKHSSS/2<sup>nd</sup> HUDCO Loan/Sch.No.20167/68, dt.24-4-2013.
5. From the MD, HMWS&SB, Hyd., Lr.No.HMWSSB/GDWSP Ph-I-MAKHSS-HUDCO/2013-14, dt.22-07-2013.

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**ORDER:**

In the G.O.1<sup>st</sup> read above, orders were issued according administrative sanction for an amount of Rs.3375 Crores towards Godavari Drinking Water Supply Project Phase-I with source at Pranahita with the funding share from Government of Andhra Pradesh, Greater Hyderabad Municipal Corporation and Government of India. Due to non-materialization of the funding pattern, Government in the G.O. 2<sup>nd</sup> read above orders were issued permitting the Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board to avail loan assistance (non-recourse loan) of Rs.1000 Crores from Housing and Urban Development Corporation (HUDCO) with out Government Guarantee for the Moulana Abdul Kalam Hyderabad Sujala Sravanthi Scheme (MAKHSSS) (Godavari Drinking Water Supply Project Phase-I). Accordingly, the Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board has concluded the loan agreement with HUDCO and the funds are being drawn from Housing and Urban Development Corporation (HUDCO) as per progress of works and also Government is releasing its share amount to the HMWS&SB for early completion of the Godavari Drinking Water Supply Project Phase-I.

2. In the reference 4<sup>th</sup> read above, the Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board has informed that out of amount Rs.3375 crores sanctioned vide G.O.Ms.No.679, Municipal Administration and Urban Development (W) Department, dt.26.9.2008 for Godavari Drinking Water Supply Project Phase-I, Government have released an amount of Rs.1287.50 Crores through budget and HUDCO provided Rs.750 Crores out of Rs.1000 Crores of loan for the project and against which an expenditure of Rs.1978.05 Crores was incurred including Land Acquisition and the works in Godavari Drinking Water Supply Project Phase-I are in brisk progress and that of connected two ring mains are also grounded and are in progress. He further submitted that it is necessary to avail the additional loan of Rs.1000 Crores from HUDCO to have full financial closure for the project apart from Government budgetary support for completion of all the components in the project.

3. In the references 3<sup>rd</sup> read above, the Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board has further informed that the HUDCO has in-principle accorded sanction of additional loan of Rs.1000.00 Crores for completion of Godavari Drinking Water Supply Project

**(P.T.O.)**

and one of the conditions stipulated for the second loan is to obtain counter Guarantee of the Government with Budgetary support for repayment of Principal and interest to this second loan, as already all the assets of Hyderabad Metropolitan Water Supply & Sewerage Board are mortgaged with Housing and Urban Development Corporation (HUDCO) towards first loan of Rs.1000 Crores.

4. In the reference 5<sup>th</sup> read above, the Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board has also informed that certain common conditions such as Default Escrow Account, other statutory pre-disbursal conditions will be complied by Hyderabad Metropolitan Water Supply & Sewerage Board, while communicating the Government's counter guarantee to Housing and Urban Development Corporation (HUDCO) and requested the Government to provide Government Counter Guarantee as security for obtaining additional loan of Rs.1000 Crores from HUDCO for Godavari Drinking Water Supply Project Phase-I in the similar lines to the Housing and Urban Development Corporation (HUDCO) for providing loan to Krishna Phase-III.

5. Government after careful examination of the matter hereby accord permission to the Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board to obtain additional loan of Rs.1000.00 Crores from Housing and Urban Development Corporation (HUDCO) with Government Guarantee (for principal part only) as security for early completion of Godavari Drinking Water Supply Project to meet the drinking water scarcity in Hyderabad and surrounding municipalities, subject to the condition that the Budgetary support will not be provided through out the currency loan and the guarantee will be given only for Principal part only subject to fulfillment of other conditions stipulated in G.O. Ms. No.446, Finance (DMC) Department, Dated 29-09-2003.

6. The Managing Director, Hyderabad Metro Water Supply & Sewerage Board, Hyderabad shall take necessary further action in the matter, accordingly.

7. This order issues with the concurrence of Finance(Expr.M&F) Department vide their U.O.No.22383/453/A1/Expr.M&F/2013, dated 19-09-2013, read with U.O. No.32730/85/A1/DCM-II/2013, dated 19-12-2013.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**Dr. S.K. JOSHI,  
PRINCIPAL SECRETARY TO GOVERNMENT(UD).**

**To**  
The Managing Director,  
Hyderabad Metropolitan Water Supply &  
Sewerage Board, Hyderabad.

**Copy to :**

The Finance (DCM.II) Department.  
The Finance (Exp. M&F) Department.  
The P.S. to Secretary to Chief Minister.  
The P.S. to Minister for Finance.  
The O.S.D. to Minister for MA&UD.  
The P.S. to Chief Secretary.  
The P.S. to Principal Finance Secretary.  
The P.S. to Principal Secretary to Govt.(UD), MA&UD Department.  
The General Administration(Cabinet) Department.  
SC/SF.

**// FORWARDED :: BY :: ORDER //**

**SECTION OFFICER**